



**Council of Ministers**



## **Immediate Multi-Donor Support to the Integrated Planning System, (IPS)**

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Date: 14.07.2006

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Project Document	
<b>Brief Project Description:</b>	<p>The purpose of the Immediate Multi-Donor Support to the Integrated Planning System (IPS) project is to provide immediate assistance over a 1-year period to help establish and implement the functions of the Department of Strategy and Donor Coordination (DSDC) of the Council of Ministers as part of the IPS. The establishment of the DSDC's functions will also include forming working linkages with other key government units to include the Ministry of Finance, Ministry of European Integration and the line ministries. The assistance would focus on organizational and human resource development, relationship building, establishing a donor coordination function in the DSDC, undertaking an assessment of the appropriate format of the IPS Information System (IPSIS) and based on that assessment establishing the system, and providing other advisory and training services as they arise during this initial year. The initial year activities will compliment other ongoing efforts such as the preparation of the National Strategy for Development and Integration (NSDI) and the Medium Term Budget Program. The initial year activities will be followed by more medium and long-term IPS development needs as the different IPS components are implemented. It is expected that a basket fund, to be created with the assistance of the WB and other donors, will become operational in early 2007 and will be the primary vehicle for delivering medium-term IPS TA needs.</p>
<b>Project Components:</b>	<ol style="list-style-type: none"> <li>I. Establishing the functions within DSDC and forming linkages with key counterparts</li> <li>II. IPS Information System</li> <li>III. Support to DSDC Consultation, Advocacy and Operations</li> </ol>
<b>Council of Ministers Counterpart:</b>	Department of Strategy and Donor Coordination (DSDC)
<b>Implementation Arrangement:</b>	National Execution
<b>Estimated Total Project Cost &amp; Duration:</b>	<p>USD 996,000<sup>1</sup> 12 months</p>

<sup>1</sup> UNDP core funding equal to \$ 170,000 will be available immediately. Dutch Government and European Commission funding together with other bilateral and multilateral support is expected to complete the budget requirements.

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## 1. Background

The Government of Albania, with the facilitation of the donor community, has made progress over the past six years to specify, initially streamline and implement a more straightforward manner of publicly financed socio-economic and external assistance management. The progress has included:

- establishing the initial functions and processes for the preparation of the National Strategy for Socio-Economic Development (NSSD),
- the initial implementation of reformed public expenditure management as evidenced by partially implementing a Medium Term Budget Program (MTBP) and other financial management reforms (such as strengthening of the treasury system),
- the initial establishment of a management information system to track the past government programs and report monitoring and performance information and the provision of initial policy cycle management training, and
- a more organized approach toward aid coordination between the government and the donor community and within the donor community itself including the establishment of a Donor Technical Secretariat (DTS).

Given the steps taken to date and the election of a new government in mid-2005, there is an ongoing effort and opportunity to further consolidate the gains made to date based on the formulation and step-by-step implementation of the Integrated Planning System (IPS). The IPS has been under construction for the past year after a culmination of government and donor experience recognizing the need to further streamline policy making, programming, budgeting, monitoring, evaluation and aid coordination in a more refined and efficient manner tailored to the government's organizational structures and human resource capacities. The basic foundation of the IPS is the budget system so that the strategy formulation and related policymaking and programming adhere to financial realities and flows. Thus, the advancement of the MTBP and the more strategy-oriented NSSD are essential elements of the IPS.

To assist in this consolidation effort, the Council of Ministers established in November 2005 a new Department of Strategy and Donor Coordination (DSDC) within the Council of Ministers (CoM). The Department partially replaced the former Department of Policy Development and Coordination (DPDC), which was also in the CoM. The DPDC's policy function was not transferred to the DSDC. The main difference with the new department is that it contains the key functions of basic social and economic strategy coordination and monitoring, policy coordination, and aid coordination. Such an approach replaces the Ministry of Finance's NSSD function and part of the aid coordination function in the Ministry of Economy (MoE).<sup>2</sup>

The DSDC contains three units to cover IPS Coordination, the NSDI (or more aptly the strategy formulation and monitoring) process, and External Assistance Strategy formulation and coordination. Currently, the DSDC has a Director (appointed in December 2005) and two staff. The plan is to have a total of six professional staff plus the Director. As of this time, the basic functions of the Department and its respective units are drafted along with position descriptions. It is envisioned that the Director will have flexibility to allocate personnel toward

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<sup>2</sup> In addition to centering these key socio-economic management functions within the CoM, the CoM established the Strategic Planning Committee chaired by the Prime Minister and the Government Modernization Committee chaired by the Deputy Prime Minister. As noted by the Public Investment and Management Department The public investment programming which was at the MoE was moved to the MoF with the aim to fully integrate externally and domestically financed public investment into the public expenditure management process

immediate demands. After the inception period (estimated at 2-3 months) the Director may assess staffing levels against responsibilities and tasks required under the new approved approaches.

There are various challenges to this consolidation effort. These include:

- The speed of the CoM to fully staff the DSDC and establish effective working linkages with line ministries/agencies. This includes the capacity development of DSDC staff and DSDC counterparts in line ministries/agencies and the establishment of functional responsibilities between the central and line agencies. There already exists some capacity and a management information system linkage used for past government action program monitoring between the CoM and some key line ministries. The capacity and information system is not being utilized as of this time.<sup>3</sup>
- The speed of Government (and of those donors involved in supporting the IPS) to establish the necessary processes, linkages and human resource capacity to fully implement the IPS. The issue of timing appears most pressing given the necessity to provide an NSSD progress report by June 2006 and prepare a revised NSDI by December 2006, the ongoing preparation (per the budget cycle) of the MTBP (2007-09) and the need to fully advance the EU Integration process and integrate activities and requirements (and planning, implementation and monitoring) within the Department's and government's agenda.
- The identification of linkages and functional working relationships and responsibilities of the DSDC with key management partners: the Ministry of European Integration (MEI), MoF regarding the MTBP and public investment expenditure management, the Ministry of Economy, Trade and Energy (MoETE) and the Donor Technical Secretariat.
- The ability of Government units and those donors involved in supporting the IPS (at the Heads of Mission level and technical/consultant level) to consolidate planning, management, monitoring and reporting, including management information systems, in an effective, workable and coherent manner.

Currently, there are various donor efforts either recently completed or continuing that have led to the IPS or have initiated work under the IPS approach. The main efforts include:

- NSDI Support- Ongoing support provided to the NSDI process to include the preparation of the 2006 progress report and the preparation of a new NSDI for a period beginning in 2007. Support is provided by DfID.
- Strengthening Public Expenditure Management, III Support- Ongoing support to the MoF and line ministries to further improve public expenditure management and furthering the MTBP approach. Support is provided by DfID, Netherlands and Sweden.

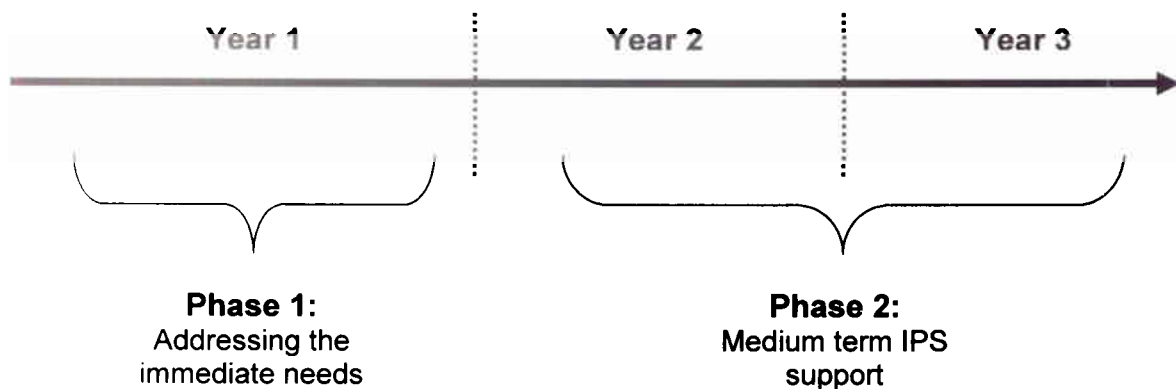
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<sup>3</sup> Four ministries were visited during the mission (2 with approved and implemented reorganization plans and 2 awaiting reorganization plan approval and implementation). Personnel trained under the former Economic Management project remain, as does the equipment. The ministry personnel report that they have used the MIS for internal reporting purposes to help improve ministry planning, assessment and performance; and they supplied reporting information to the CoM with the last required reporting period being January 2005 to cover all of 2004. Personnel appear to be awaiting direction to further use the MIS in terms of strategies to enter and monitor.

- Donor Technical Secretariat Support- Ongoing support to the Secretariat that assists coordination amongst the donors and Government-donor coordination. The Secretariat staff is supported by DfID, EC and UNDP funds.
- Public Administration Reform Program and Poverty Reduction Strategy Credit Support- Ongoing support to help the CoM design the IPS approach and system. Supported by the World Bank.
- Economic Management Strengthening- Past support to strengthen the Government's action plan implementation and monitoring through the establishment of a management information system and policy cycle and management training. Supported by UNDP and the Government of the Netherlands.

## 2. Project Strategy

Given the immediate needs to get the DSDC properly established and running along with mirrored counterparts in the line ministries/agencies to fulfill current demands (mainly point 2 as noted on the previous page), it is currently envisioned that a two phase process be instituted at the earliest date possible and continue for up to 3 years. Phase 1 would focus on the immediate needs within a 12 month time frame, and is expected to be followed by the identification of medium to long term needs (Phase 2). The medium to long term needs will take into consideration what is planned to be done over the next 12 months with the implementation of this proposed project and the NSDI and MTBP processes. It is expected that a basket fund, to be created with the assistance of the WB and other donors, will become operational in early 2007 and will be the primary vehicle for delivering medium-term IPS TA needs.



### 2.1 Phase 1: Addressing Immediate Needs (12 months)

Within the context of other international support to Government efforts, provide technical assistance to further advance the IPS in the following three areas:

1. *Establishing the functions within DSDC and forming linkages with key counterparts.* This would include:
  - Full development of the department's donor coordination function and policy coordination role;
  - DSDC linkages and functional role vis-à-vis externally-financed public investment role of the MoF's Public Investment and Management Department;
  - DSDC linkages and functional role regarding the European Integration process and DSDC's relationship with the MEI;

- Linkages and functional responsibilities between the DSDC and the line ministries/agencies; and
- Establishment of an Integrated Aid Management System that would facilitate information sharing and coordination.

In addition, *supportive policy advisory services* will be provided to the DSDC on an as needed basis for issues in which the DSDC may confront during its full implementation and the need to develop policy coordination and possibly other support in the policy making, vetting and monitoring processes within the CoM.

2. *Assessment, Design and Development of IPS Information System (IPSIS)*. The IPSIS will identify macro and sector indicators (linked to the NSDI and provides tracking of indicators that would also show progress for Millennium Development Goal (MDG) objectives), monitors and reports on sector and cross-cutting program/activity performance per the government action program, and contains financial reporting data per the MTBP system. The assessment should take account of the current management information system at the CoM and in line ministries and should take account of the need to integrate new IPS reporting needs with the MTBP and Treasury systems and other relevant government information systems.
3. *Support to DSDC Consultation, Advocacy, and Operations*. Throughout the first 12-month phase, workshops and roundtables will be organized and other advisory and support services offered to the DSDC. The purpose of the workshops and roundtables will be to ensure a broad consultative and awareness raising process in regards to the DSDC's functions. Specific assistance will also be provided to the DSDC to develop a 3-year IPS communications and training strategies with the medium-term basket assuming the costs for implementing these strategies.

All three components of this project will be coordinated closely with existing technical assistance including:

- World Bank support to the Council of Ministers for IPS coordination and policy formulation;
- DFID support to DSDC and, selectively, to line ministries to develop a new NSDI. It should be also noted, that given the immediate needs to deliver training in connection with the MTBP process, which begins in a few weeks, the DFID funded SPEM project assumed responsibility for IPS communications and start-up trainings in 2006.
- Joint DFID, Dutch and Swedish support to the Ministry of Finance and, selectively, to line ministries for strengthening public expenditure management, in particular through MTBP implementation, including the new project management cycle for public investment; and
- DFID support provided to the DTS and DTS Office, which deliver donor coordination and aid harmonization (supporting the Paris Declaration) functions; the members of the DTS include the European Commission, OSCE, UNDP and the World Bank.

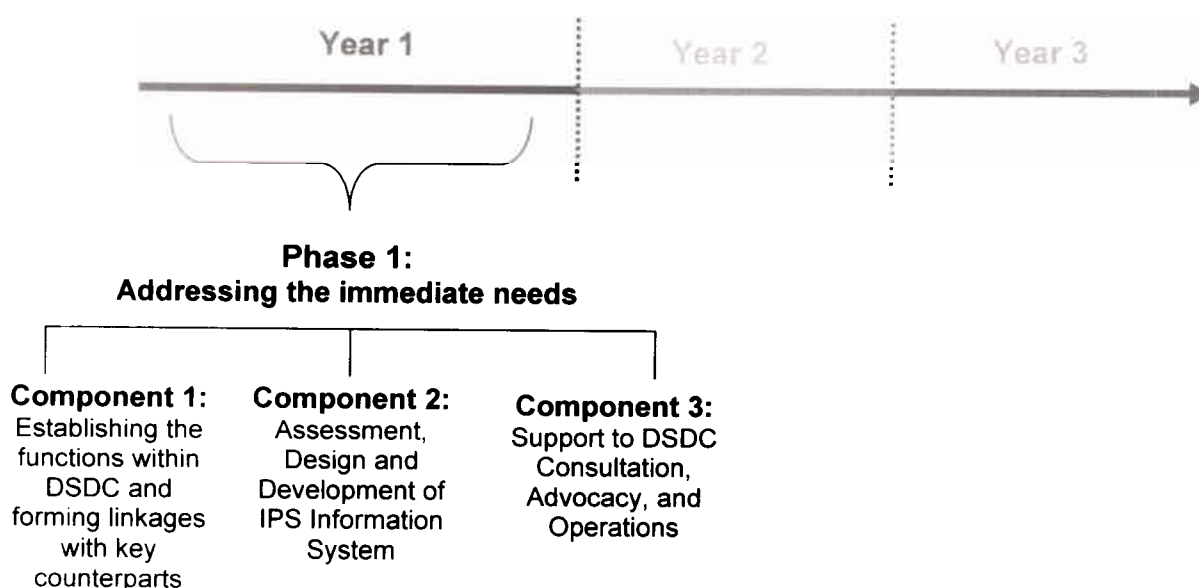
## **2.2 Phase 2: Medium Term IPS Support (years 2-3)**

The DSDC is currently undertaking an assessment of IPS needs over the medium and long term (2-3 years) and preparing an IPS Implementation Plan and costing implementation programme. While the existing TA and this proposed project document will cover most of the immediate needs, there will be needs based on the progress of both existing TA work and Phase 1 activities and the progress of other IPS components. The following is only a broad outline of some of the more medium term needs.

- Full human resource development at the DSDC and line ministries/agencies in the areas of policy formulation, vetting and all aspects of the policy cycle; program management (at various management levels); and monitoring and evaluation. Other subjects can be added based on a training assessment. Training identified will be in line with the IPS that is established to date and follow the IPS processes and procedures.
- Full establishment of an IPSIS so it is working and being used at the DSDC and the line ministries/agencies and information is being passed between the relevant organizations. During this phase, information sharing and related responsibilities should also be developed with the MoF and the Ministry for European Integration.
- Further development of the DSDC role as the European Integration process advances. As such roles and needs are not immediately known as of this time, the DSDC and other government units may have to be adjusted in years 2 and 3 to more adequately meet EU integration requirements.
- Further development of the DSDC and IPS role regarding decentralization. Such IPS development should follow the development of the public expenditure management flows down and upstream. Attention to decentralization will be limited during year 1 given the need to solidify the system at the national level first. A further concentration and approach will need to be developed, as public expenditure management develops in this area, to advance decentralization.
- Policy Advisory Services continue to be provided as determined by the CoM for the DSDC and possibly other parts of the CoM.

### 3. Project Description

This project outline concentrates on the *immediate needs* envisioned over a one-year period from project start-up. Support to IPS implementation should be understood as an ongoing medium term investment that will follow at least 3 full budget cycles so that the strategy and monitoring cycles will be fully integrated with the annual budget cycle and other MTBP steps. The project has two components, which are described below; these components focus on the short term immediate needs and are to be complemented during project implementation by crosscutting activities that include consultative mechanisms (roundtables, workshops) and the development of communications and training strategies by the DSDC.



The project will be located within the DSDC and will have activities with other ministries/agencies, i.e. the MEI, MoF, MoETE and the key focal points within line ministries/agencies. The focal points within the line ministries should be the unit responsible for ministry policy formulation and strategic planning.<sup>4</sup> The Project Office should be located within the CoM with or near the DSDC offices.

### **3.1 Component 1: Establishing the Functions within the DSDC**

The IPS design requires strong linkages between the main central unit, DSDC, and key counterparts (such as the MEI and MoF) and line ministries/agencies. Both the donor coordination and the placement of the policy coordination and/or analysis role (potentially within the DSDC) need to be assessed and defined to ensure that the functions within the DSDC are properly established.

#### **3.1.1 Objective 1: To assess and define the donor coordination role of the DSDC**

**Output:** DSDC role vis-à-vis donor coordination fully defined in terms of implementing its identified functions – especially in line with other government units, the Donor Technical Secretariat, and the donor community

- Activities:**
- 1.1** Assessing relationship with MoF (such as with the Public Investment and Management Department), MEI and MoE.
  - 1.2** Identifying competencies and functional responsibilities of DSDC and line ministries.
  - 1.3** Assessing and establishing relationship with the DTS.
  - 1.4** Identifying clear channels of communication, reporting, coordination and decision making with the donor community.
  - 1.5** Assessing the options for an integrated Aid Management System to facilitate aid related information sharing and coordination (as part of IPSIS).
  - 1.6** Establishing an Integrated Aid Management System to facilitate aid related information sharing and coordination (as appropriate following decisions by DSDC on this assessment)
  - 1.7** Developing of donor coordination capacities within the DSDC.

In terms of policy coordination and/or analysis, the placement of a policy coordination and/or analysis role, a function of the IPS, has to be defined and located in an appropriate CoM unit, possibly the DSDC. The activities under the Policy Coordination and Analysis component, below, would be preliminary and focus on an assessment and coordination role establishment. Such a policy function will continue to be developed through the medium and long term needs activities. The detailed work under this activity is currently being determined by the Secretary General and DSDC supported by the World Bank. A report is due to be finalized in April 2006. Work on this activity is also contingent on the Secretary general appointing the necessary staff. Thus, the activities listed below are only anticipated/tentative.

#### **3.1.2 Objective 2: To define and place the policy coordination and/or analysis role of the IPS – possibly within the DSDC**

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<sup>4</sup> In the past, it has been advised that such policy and strategy, budget, monitoring and aid coordination functions be consolidated into one department within each line ministry. For some of the ministries visited, such a consolidation has taken place. However, it is not clear if the same has occurred in all ministries that have been reorganized as of this time. As of the time of this writing 8 of the 14 line ministries are officially reorganized.

**Output:** Institutional location/placement of policy coordination/and or analysis role determined and functions defined.

- Activities:**
- 2.1 Assessing current policy formulation, analysis and coordination roles within the CoM and line ministries to identify DSDC's coordination role especially in regard to policy and program monitoring and evaluation. The assessment would be used as an input for the more medium term development of the policy function.
  - 2.2 Identifying roles and responsibilities in the policy coordination process to include the DSDC and line ministries.
  - 2.3 Developing policy coordination capacities within the CoM.

### 3.1.3 Potential policy advisory services

There are several potential immediate needs for policy advisory services to support the achievement of the above objectives. During the course of the establishment of the necessary IPS functions specific domestic or international expertise will be needed to support the establishment or refinement of IPS functions and provide some of the necessary on-the-job training or advisory services to fulfill project components. The DSDC Director should have available a resource from which to obtain such expertise in a rapid manner. Potential immediate needs may include:

- 1) Expert advice on methodologies, standards and formats to be developed for a core set of decision-making documents for the Council of Ministers.
- 2) Assistance to DSDC and line ministries with preparation of policy options papers to determine key policy directions to be reflected in the draft legislation.
- 3) Assistance to DSDC with policy and fiscal impact assessments in conjunction with the MoF. Policy impact assessments would analyze the anticipated medium-term effects of a proposed policy direction on the economy, society, institutions, and other groups within Albania. The fiscal impact assessment would define the multi-year financial implications for the state budget or budgets of other levels of government, impact on businesses of government regulations.

### 3.1.4 Expected Results:

- 1) DSDC's donor coordination role established and capacities initially addressed.
- 2) CoMs policy coordination role established and capacities initially addressed.
- 3) Competencies identified and functional roles established between DSDC and the MOF, MEI, MoETE and other line ministries regarding externally financed public investment, other aid coordination-related functions, European Integration process, and sectoral strategies.
- 4) Assessment of and options for Integrated Aid Management System.
- 5) (Subject to the outcome of 4) Integrated Aid Management System developed and tested within DSDC.
- 6) DSDC has the advisory resources to complete the activities in Component 1 and further develop the IPS as needed. The advisory services are made available in a timely manner so as not to impede implementation.

## 3.2 Component 2: IPS Information System

The IPS requires a supporting information system. An IPSIS should be a system that is an advance from the former Management Information System formerly used by the CoM and the line ministries. The IPSIS could either be an adjustment or expansion of the Management Information System or it may be a new system that supersedes the Management Information System – these decisions should be determined in the IPSIS assessment. The IPSIS should function as the information backbone to the IPS and provide information and communications linkages between the key government bodies involved, mainly the DSDC, MoF, MEI and line ministries and agencies. It should be linked with the

MTBP and Treasury (in a manner not defined as of yet) so that there is one clear set of data entry points. Currently, it is intended that the IPSIS should have three information components:

- 1) Identifies macro and sector indicators (linked to the NSDI) and provides tracking of key indicators,
- 2) Monitors and reports on sector and cross-cutting program/activity performance per the government action program, and
- 3) Contains policy goal, policy objective and program output financial reporting data per the MTBP/Budget and the Treasury system.

Given the need to get the IPSIS designed and functioning soonest, the following is objectives are recommended as immediate needs to be accomplished in year one.

### **3.2.1 IPSIS Assessment:**

An assessment of information system needs to include existing MIS, MTBP Information System, Treasury, NSDI information monitoring needs, DevInfo/AlbInfo and other capabilities of INSTAT, and integration into GovNet. The assessment should also include a review of existing data generating, data capture and data collection processes and the IPS requirements for new data capture and collation processes as well as options for harmonization (i.e. terminology, coding, data exchange, etc.) between IPSIS and MoF MTBP and Treasury Department reporting system regarding policy, program and finance data. The assessment should also include how to specify line ministry agenda items that are related to EU accession requirements. Besides software needs, the assessment should also include computer and related peripheral needs taking into account the equipment supplied by the MIS component of the previous UNDP/Government of the Netherlands Economic Management Strengthening Project. The optimum solution should not be constrained by the existing investment in software and programming. The assessment will take into account:

- 1) The dormant Government Action Plan system; it is recognized that UNDP/Government of the Netherlands invested considerable resources in this and its potential as a possible reporting vehicle must be carefully examined;
- 2) The European Integration system; this is to be used for reporting on the European Partnership, Legal Approximation and other SAA requirements; and
- 3) The potential expansion of output reporting software used by the Ministry of Finance; as the intention is to have all major government actions expressed as outputs and these form the basis of MTBP reporting, this option needs to be assessed.

### **3.2.2 Design and Development:**

Depending on the decisions of the DSDC resulting from the IPSIS assessment and options presented, design and develop the appropriate IPSIS software based on the assessment. The system should include: a) macro and sector indicators (from the NSDI macro/sector strategy process) that will be reported in IPSIS (i.e. a set of macro indicators and then per sector/cross sector) and include sufficient MDG indicators<sup>5</sup>; b) program/project templates to measure program/project performance per the government action program (or similar type of government programming document); and c) associated to the program/project templates, a template or data fields for financial planning and reporting information per the MTPB. The financial information would be taken from the MoF budget department at an agreed upon level (i.e. objective, program or activity level).

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<sup>5</sup> INSTAT, as the main collector and reporter of statistics will be a key link from which to receive indicator information. UNDP has had a project to apply the DevInfo software and approach to INSTAT resulting in the establishment of AlbInfo. This software offers templates to identify measurable indicators from various sources. A follow-on project is being contemplated by INSTAT and UNDP. There is potential to take the indicators already identified, choose those which are most pertinent to measuring NSDI performance and formally track these indicators through NSDI and IPSIS implementation during the NSDI time period.

### **3.2.3 Establish System Linkages:**

Establish formal data entry, collection and reporting/dissemination channels within the CoM, between the DSDC and key counterparts (MoF, MEI) and between DSDC and line ministries.

### **3.2.4 Install, Test and Start Up of System:**

Install the system within the DSDC and in selected pilot ministries. IPSIS training for the DSDC and corresponding line ministries so that the system is operational as it is installed in the respective government units.

### **3.2.5 Expected Results:**

- 1) IPSIS Assessment completed with an agreed upon roadmap for system implementation.
- 2) IPSIS installed in DSDC and pilot ministries and individuals trained to use system.
- 3) IPSIS reports are generated in pilot ministries and presented at the senior levels of the CoM and line ministries/agencies. Reports are seen as a useful management and monitoring tool and used as part of the government's strategy, policy and program cycles.

## **Component 3: Support to DSDC Consultation, Advocacy, and Operations**

The third component of this project focuses on the consultative approaches to be used by the DSDC, as well as the advocacy efforts and internal operations. In specific, workshops and roundtables will be utilized to form consensus around approaches and the work of the DSDC. Advisory and support services will also be made available for the DSDC as required. Through this component assistance the DSDC will be able to:

- Develop and present 3-year IPS communications and training strategies.
- Organize broad IPS consultation and awareness raising process with government stakeholders, Parliament, and civil society.
- Organize workshops and round tables in relation to implementation of various components of the IPS Immediate Needs Phase, including:
  - Integrating MDG and EU integration themes and indicators within the IPS process and the support to broaden, as needed, civil society input. If any support is provided to such an effort it will be coordinated with the planned support to NSDI preparation.
  - IPSIS report formulation and report analysis by system and non-system users so the feedback and monitoring/evaluation information is used in planning, policy and strategy formulation.
  - IPS functions and responsibilities.
- Have trainings as per the Immediate Phase needs identified by various assessment and identification missions.
- Provide regular IPS Immediate Phase Project progress reporting to donors.

### **Expected Results:**

- 1) IPS communication and training strategies in place
- 2) MDG and EU integration themes and indicators integrated into the IPS process.
- 3) Civil society and other stakeholders' input is sought and provided for IPS implementation.
- 4) By end of year 1 the IPS is the government's system for strategy development and monitoring and the DSDC is the main aid coordination focal point in a beneficial manner.

## 4. Management and Execution Modalities

The project will be National Execution (NEX).<sup>6</sup>

The IPS Support Group, established by the DSDC, will oversee the overall project implementation. The Group will consist of 7-8 members to include 3-4 representatives from Government (to include representatives of the DSDC, Ministry of Finance and Ministry of European Integration) and four donor organizations. The Group will be chaired by the Director of the DSDC. The DSDC Director will also act as the National Project Director (NPD).

The NPD will be assisted by a National Project Officer/NPO (12 months, funded by the project) and an International Senior Institutional Development and Policy Advisor/SA (non-resident, inputs up to 6 months throughout the year, funded by the project) to carry the activities of the Immediate Needs Phase project.

## 5. Monitoring and Evaluation

Monitoring of the day-to-day implementation of the project will be the responsibility of the National Project Director (NPD). The NPD and SA will ensure provision of quarterly progress reports to the IPS Support Group.

The project will be subject to a final assessment through the preparation of a final project report. The final report will be prepared no later than 6 months after the project closure or in accordance with the donor's regulations.

## 6. Legal Context

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the CoM of the Republic of Albania and the United Nations Development Programme, signed by the parties in July 1991. The host country-implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement. This project also is within the context of UNDP's Country Programme Action Plan (CPAP) signed in April 2006.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- (a) Revisions in, or addition of, any of the annexes of the project document (with the exception of the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a precondition for UNDP assistance);

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<sup>6</sup> "NEX" is an operational arrangement whereby a national institution assumes overall responsibility and accountability for the formulation and the effective management, or execution, of all aspects of UNDP projects. A distinction is made between the terms "execution" and "implementation." Execution refers to the overall management of the project, along with the assumption of responsibility for the production of planned outputs and the achievement of intended outcomes, and accountability for the use of UNDP resources, national inputs and third-party contributions. Implementation, on the other hand, refers to the procurement and delivery of project inputs and their conversion into outputs. NEX is aimed at achieving the following objectives: (a) capacity building, self-reliance and sustainability; (b) ownership and internalization of external inputs; and (c) relevance and impact, particularly when used in conjunction with the programme approach.

- (b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by rearrangement of inputs agreed to or by cost increases due to inflation; and
- (c) Mandatory annual revisions, which rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

## 7. Annual Work Plan

Expected Output	Key Activities	Timeframe			
		Q1	Q2	Q3	Q4
1. The full establishment of functions within DSDC and linkages with key counterparts.	1.1 Development of the DSDC's donor coordination role and the DSDC's policy coordination-related role.				
	1.2 Development of the CoMs policy co-ordination related role				
	1.3 Assess and establish DSDC linkages and functional role vis-à-vis externally financed public investment management role of the MoF.				
	1.4 Assess and establish DSDC linkages and functional role regarding the European Integration process and DSDC's relationship with the MEI.				
	1.5 Assess and establish linkages and functional responsibilities between the DSDC and the line ministries/agencies				
	1.6 Establishment of an Integrated Aid Management System				
	1.7 Policy and other advisory services to address potential immediate needs of DSDC				
2. Assessment and Start up of the IPS Information System	2.1 Conduct an assessment of IPSIS needs.				
	2.2 Design and develop the IPSIS based on DSDC decisions following assessment.				
	2.3 Establish IPSIS linkages between the DSDC and main government entities (MEI, MoF, INSTAT) and line ministries				
	2.4 Install, test and start up the system.				
	2.5 Assess IPSIS related training and conduct training for pilot ministries.				
3. Workshops, roundtables and other advisory & support services to DSDC	3.1 Develop and present a 3 year IPS communication and training strategies				
	3.2 Organize broad IPS consultation and awareness raising process.				
	3.3 Organize IPS related workshops and roundtables.				
	3.4 Organize trainings to address immediate needs				
	3.5 Prepare quarterly and final progress reports and organize regular IPS support group meetings				

## **Annex 1: Project Position Terms of Reference**

**Post Title:** Senior Institutional Development/Aid Coordination Specialist (International)

**Project Name/Number:** Immediate Support to the Integrated Planning System

**Duty Station:** Tirana, Albania

**Duration of Appointment:** 6 months (intermittent over 12 months)

**Starting Date:** April 2006

### **Project Brief:**

The purpose of the Immediate Support to the Integrated Planning System (IPS) project is to provide immediate assistance over a 1-year period to help establish and implement the functions of the Department of Strategy and Donor Coordination (DSDC) of the Council of Ministers as part of the IPS. The establishment of the DSDC's functions will also include establishing working linkages with other key government units to include the Ministry of Finance, Ministry of European Integration and the line ministries. The assistance would focus on organizational and human resource development, relationship building, establishing a donor coordination function in the DSDC, assessing the options for and then establishing an IPS Information System (IPSIS), and providing other advisory and training services as they arise during this initial year. The initial year activities will compliment other ongoing efforts such as the preparation of the National Strategy for Development and Integration (NSDI) and the Medium Term Budget Program. The initial year activities will be followed by more medium term IPS development needs as the different IPS components are implemented.

### **Supervision:**

**Direct Supervisor:** The incumbent will work as a counterpart to the Director of the DSDC and collaborate closely with the staff assigned to the department, especially those conducting the donor coordination function. The incumbent will also be responsive and contribute, as necessary, to the IPS Support Group.

### **Duties and Responsibilities:**

The Senior Advisor will manage advisory, technical and training inputs as directed by the DSDC Director. He/she will also collaborate with other consultants working on IPS activities and liaise with the Project Officer.

The specific duties and responsibilities during the assignment will include, but not be limited to, the following:

- Review relevant documents and research prepared leading up to the adoption of the IPS.
- Lead a donor coordination needs assessment to include the institutional arrangements, necessary functions required, present/needed capacities, and development strategy to install the donor coordination function within the DSDC. Work with the DSDC and other government and donor organization units on establishing the appropriate donor coordination and other aid management roles.

- Prepare a schedule of donor coordination work activities for year 1 and work with DSDC management and staff to implement the schedule.
- With the DSDC management and staff, other government officials, and other IPS advisors advise on establishing the DSDC's policy coordination function. The concentration should be on policy and program monitoring and evaluation especially as it relates to the IPSIS.
- Work with the DSDC management and staff to help it establish working relationships, responsibility and information flow between itself and 1) Ministry of Finance, especially in regard to donor financed public investment; 2) Ministry of European Integration; and 3) line ministries.
- Provide input to the initial training assessment and help to deliver training in the areas of expertise (donor coordination, policy programming, program/project monitoring, etc.).
- Conduct all necessary project reporting to the government, IPS SG and UNDP.

#### **Qualifications and Experience:**

- The expert is required to have an advanced degree (PhD a distinct advantage) in public administration, governance or institutional management.
- Over 10 years experience in government with practical experience in foreign aid coordination and management and government policy formulation, programming and monitoring.
- Experience with similar assignments in similar developing countries with mixed experience in the East/Central Europe and the CIS.
- The expert should be proactive and have the ability to discuss openly with all senior officials of the DSDC, CoM, other ministries and donors.
- The expert should be willing and capable to work and collaborate with other donor-funded advisors.
- Analytical judgment, results-orientation and efficiency in a multi-tasking environment.
- Capacity to perform effectively under pressure.
- Good inter-personal and teamwork skills, networking aptitude, ability to work in multi-cultural environment.
- Full working knowledge of English, including excellent drafting and presentation skills.
- Proven ability to manage other advisors (national and foreign) and manage diverse and complex tasks.
- Excellent computer skills (key MS Applications) and ability to use information technology as a tool and resource.

**Post Title:** National Project Officer

**Project Name/Number:** Immediate Support to the Integrated Planning System

**Duty Station:** Tirana, Albania

**Duration of Appointment:** 12 months

**Starting Date:** April 2006

**Project Brief:**

The purpose of the Immediate Support to the Integrated Planning System (IPS) project is to provide immediate assistance over a 1-year period to help establish and implement the functions of the Department of Strategy and Donor Coordination (DSDC) of the Council of Ministers as part of the IPS. The establishment of the DSDC's functions will also include establishing working linkages with other key government units to include the Ministry of Finance, Ministry of European Integration and the line ministries. The assistance would focus on organizational and human resource development, relationship building, establishing a donor coordination function in the DSDC, assessing the options for and then establishing an IPS Information System (IPSIS), and providing other advisory and training services as they arise during this initial year. The initial year activities will compliment other ongoing efforts such as the preparation of the National Strategy for Development and Integration (NSDI) and the Medium Term Budget Program. The initial year activities will be followed by more medium term IPS development needs as the different IPS components are implemented.

**Supervision:**

**Direct Supervisor:** The incumbent will work as the Project Officer responsible to the Director of the DSDC. He/she will also collaborate with UNDP management regarding project management tasks. He/she will also collaborate and other IPS advisors.

**Duties and Responsibilities:**

The specific duties and responsibilities during the assignment will include, but not be limited to, the following:

- Organize and manage project inputs with an emphasis on accomplishing results.
- Assist the NPD and the Senior Advisor in all necessary project reporting to the government, IPS SG and UNDP.
- Support domestic and international advisors as needed.
- Liaise with DSDC management and staff and other government staff to carry out project activities.
- Advise on IPSIS assessment and implementation. Help to manage full IPSIS implementation.
- With domestic and international advisors, help to identify training needs and provide support to organizing training activities.
- Organize and administer all project files (paper and electronic).
- Conduct other project office support services as needed.

### **Qualifications and Experience:**

- A degree in management or administrative support functions.
- Over 4 years of UNDP project management experience with a mix of government, non-governmental and/or private sector practical experience.
- Experience of working in the Government of Albania, preferably in the areas of donor coordination and/or government program planning, monitoring or management.
- Experience in management information systems in terms of needs assessment, implementation and training.
- The Manager should be proactive and have the ability to work with all team members and officers from the DSDC, the line ministries, project and non-project advisors, and donor representatives.
- Analytical judgment, results-orientation and efficiency in a multi-tasking environment.
- Capacity to perform effectively under pressure and hardship conditions.
- Good inter-personal and teamwork skills, networking aptitude, ability to work in multi-cultural environment.
- Full working knowledge of English, including excellent drafting and presentation skills.
- Excellent computer skills (key MS Applications) and ability to use information technology as a tool and resource.

## **Terms of Reference**

### **IPS Information System Development and Support Services Missions**

#### **Project Brief:**

The purpose of the Immediate Support to the Integrated Planning System (IPS) project is to provide immediate assistance over a 1-year period to help establish and implement the functions of the Department of Strategy and Donor Coordination (DSDC) of the Council of Ministers as part of the IPS. The establishment of the DSDC's functions will also include establishing working linkages with other key government units to include the Ministry of Finance, Ministry of European Integration and the line ministries. The assistance would focus on organizational and human resource development, relationship building, establishing a donor coordination function in the DSDC, assessing the options for and then establishing an IPS Information System (IPSIS), and providing other advisory and training services as they arise during this initial year. The initial year activities will compliment other ongoing efforts such as the preparation of the National Strategy for Development and Integration (NSDI) and the Medium Term Budget Program. The initial year activities will be followed by more medium term IPS development needs as the different IPS components are implemented.

#### **Supervision:**

**Direct Supervisor:** The Consultant(s) will be responsible to National Project Director (NPD) and UNDP.

#### **Duties and Responsibilities:**

The Government of Albania wishes to design an IPS Information System (IPSIS) taking into consideration the currently established Management Information System. The project will engage a consultant or team of consultants to help in conducting a system/training needs assessment and support software design, installation and technical troubleshooting for a 1-year period. The Consultant(s) will work with a variety of stakeholders (domestic and international advisors, DSDC management and staff, line ministry officials) but be ultimately responsible to the NPD and UNDP.

Specific tasks include:

- ♦ With the DSDC management and staff, international and domestic advisors and inputs from the line ministries, conduct an assessment of the current Management Information System to identify next steps to upgrade the system or replace the system, and advise on new templates and data gathering/reporting tools and formats to meet information requirements.
- ♦ Identify any new IPSIS equipment or supply specifications taking into consideration equipment and supplies provided for the Management Information System.
- ♦ With the necessary project staff, prepare an assessment report and present to the DSDC Director and UNDP.
- ♦ Based on feedback from the DSDC Director, design and develop the IPSIS.
- ♦ Establish IPSIS linkages between the DSDC and line ministries and any special input or reporting relationships with the Ministry of Finance and Ministry of European Integration.
- ♦ Install and test the IPSIS in each line ministry.
- ♦ With other project team members, identify DSDC and line ministry training needs related to IPSIS operation, management and reporting. Assist in conducting training so that users are fully capable of operating the system.

- ♦ Provide IPSIS technical support for a 1-year period. Train one to two staff within the CoM on IPSIS technical support.

***Qualifications:***

- ♦ Experience in assessing and designing public information systems.
- ♦ Knowledge of using information systems for planning, monitoring and evaluation.
- ♦ Experience in formatting input templates and output report formats in a user-friendly manner.
- ♦ Experience of working with the Government of Albania and the donor community in Albania.
- ♦ Experience in designing and implementing user training programs for the private and public sector in Albania.
- ♦ Capacity to provide technical support on an immediate basis (response times within 4 hours).

**IPS Immediate Needs Phase  
Estimates in US\$**

#		Number (tentative)	Unit Cost (tentative)	Amount
I	Component I Full establishment of functions within DSDC			
	Donor Coordination Function			
	Senior Institutional Development/Aid Coordination Advisor	6 months x 1 person (non-resident)	1,200 /day x 15 w. days x 6 months (fee, travel, DSA)	108000
	Short-term International Experts	2 Missions x 12 days	1,100/day/person (fee, travel, DSA)	26,400
	Short-term National Experts	2 work months x 2 persons	2,500/person/month	10,000
	Workshops & Round tables	2 workshops & RT's	3,000/event	6000
	<b>Sub-total</b>			<b>150,400</b>
	Integrated Aid Management System			
	Short-term International Experts	2 missions x 15 days x 2 experts	1,100/day/person (fee, travel, DSA)	66000
	Short-term National Experts	2 work months x 2 persons	2,500/person/month	10000
	Database establishment and trial			15000
	Training of users and keepers			10000
	Equipment to support system			80000
	<b>Sub-total</b>			<b>181000</b>
	<b>Policy Advice to address Potential Immediate Needs</b>			
	Short-term International Experts (incl on standardization)	4 missions x 12 days x 2 experts	1,100/day/person (fee, travel, DSA)	115200
	Short-term National Experts	2 work months x 4 persons	2,500/person/month	20000
	Workshops & Round tables	4 events	3,000/event	12000
	<b>Sub-total</b>			<b>147200</b>
	<b>Component I Total</b>			<b>478,600</b>
II	Component II IPS Information System			
	IPSIS Assessment			
	Short-term International Experts	2 missions x 15 days x 1 person	1,100/day/person (fee, travel, DSA)	33000
	Short-term National Experts	2 work months x 3 persons	2,500/person/month	15000
	<b>Sub-total</b>			<b>48000</b>
	IPSIS Design and Development			
	Short-term International Experts	2 missions x 20 days x 2 persons	1,100/day/person (fee, travel, DSA)	88000
	Short-term National Experts	3 work months x 3 persons	2,500/person/month	22500
	Workshops - inputs to design process	3 workshops	3,000/event	9000
	<b>Sub-total</b>			<b>119500</b>
	IPSIS Start of Implementation			
	Short-term International Experts	2 missions x 15 days x 2 persons	1,200/day/person (fee, travel, DSA)	72000
	Short-term National Experts	3 work months x 2 persons	3,000/person/month	18000
	System Establishment and trial			10000
	Training of users and keepers			5000
	Equipment to support system			35000
	<b>Sub-total</b>			<b>140000</b>
	<b>Component II Total</b>			<b>307500</b>

III	Component III Support to DSDC Consultation, Advocacy and Operations					
	National Project Officer	12 months x 1 person	2,000 x 12 months x 1 person			24000
	IPS Advocacy and Awareness Raising					20000
	Workshops and Conferences	5 events	3,000/event			15000
	Equipment for DSDC					30000
	Short-term International Experts to assist with communication & training strategies	2 missions x 12 days x 2 persons	1,100/day/person (fee, travel, DSA)			26400
	Short-term National Experts to assist with communication and training strategies	2 work months x 2 persons	2,500/person/month			10000
	Miscellaneous and Contingency Funding					19500
	<b>Sub-total</b>					<b>144900</b>
	<b>Component III Total</b>					<b>144900</b>
	Project Total					931,000
	UNDP Administration Fee (7%)					65000
	<b>GRAND TOTAL</b>					<b>996,000</b>